

LCN Fund Full Submission

Supplementary Answer Form

Tick if this answer is Confidential: ☐

Tick if this answer has been provided verbally: ☐

Project code:	UKPNT205	Question Number	UKPNT205-18
Question date	12 September 2013	Answer date	16 September 2013
Submission section question relates to	2: Project Description		
Topic	Existing obligations		
Question	Confirm and explain that the project is not used to partially fund the existing obligations of the DNO in the respect of customer engagement to assist vulnerable and fuel poor.		
Notes on question			
Answer	<p>There is one existing obligation that requires DNOs to deliver a service to vulnerable customers, Licence Condition (LC) 10.</p> <p>Furthermore, we recognise that there is a reward in the form of the Broad Measure of Customer Satisfaction for stakeholder engagement.</p> <p><u>Licence Condition 10</u></p> <p>The Distribution Price Control Review (DPCR) 5 contract had no mention of obligations (other than LC10) for vulnerable customers, please refer to <i>Electricity Distribution Price Control Review Final Proposals – Incentives and Obligations</i> (7 December 2009).</p> <p>Recognising the project objectives, and that the target group is fuel poor with the potential to also be vulnerable. It is recognised that there is an existing obligation for DNOs in recording vulnerable customers that they serve. This is in the form of Priority Service Register (PSR) Licence Condition (LC) 10. This condition requires the DNO to have a PSR that records customers that have been identified to be vulnerable, for the PSR to be maintained and advertised and for the DNO to provide services to PSR</p>		

	<p>customers in respect of planned interruptions to supply and power cuts. We work with the British Red Cross, to support vulnerable customers on our PSR and those identified at site in the event of a power cut or planned outage. British Red Cross will offer services for those affected, for example, basic refreshments and shelter and transport for customers on essential medical equipment to a place of safety.</p> <p>The project can give assurance that V-CEE will not be used to fund the LC10 PSR activities that we already work to. The project will be referring customers to the BAU department, Customer Services, who will process and complete their enrolment onto the PSR (if eligible). This includes the provision of the welcome pack and / or PSR box, funded by Customer Services BAU.</p> <p><u>The Broad Measure of Customer Satisfaction</u></p> <p>There does exist a reward for stakeholder engagement introduced as part of the current DPCR5 settlement. This exists in the form of the Broad Measure of Customer Satisfaction (as implemented on 1 April 2012) and consists of three elements: customer satisfaction survey; complaints metric; and stakeholder engagement. DNOs have a wide stakeholder audience and within DPCR5 did not place a key emphasis for DNOs to engage with the fuel poor or vulnerable.</p> <p>There will be a strengthening of focus on vulnerable and fuel poor customers when RIIO-ED1 commences in April 2015.</p> <p>Recognising we could be doing more for vulnerable and fuel poor we have included social commitments within our business plan for RIIO-ED1 that will commence April 2015. To ensure we are better prepared for RIIO-ED1 we are in the process of exploring activities two years ahead with the National Energy Action, this includes the potential programmes: Young Carers Support; Customer Champion Training and School Resources.</p> <p>The V-CEE project will allow these activities to be expanded (as indicated by the enduring cost column in our business case) and to be more effective, since we will have certainty that we are delivering the right messages, through the right organisation (which may be the supplier, a charity or a social landlord) and will deliver a measurable effect for customers and the electricity network.</p>
Attachments	
Verbal Clarifications (Consultants)	